

**WAGEINDICATOR SUPPORT FOR BARGAINING IN THE UTILITIES SECTOR (WISUTIL)**

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**WISUTIL Newsletter No. 3**

**Wages in utilities in 2010**

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WISUTIL is a project of EPSU, the research institutes University of Amsterdam/ AIAS and FORBA/ Vienna, and the *WageIndicator* Foundation. WISUTIL is researching the impact of market liberalisation, privatisation, cross-border mergers and acquisitions and technological change in the utilities sector. It covers 21 EU member states. The effects of these changes on wages, working conditions, occupational structures and skills and workers' representation will be measured through the answers of workers in the utilities sector on the *WageIndicator* web-survey. The utilities sector is defined as the production, transmission and distribution of *energy*; collection, treatment and supply of *water*, including sewerage, and collection, and the treatment and recovery of *waste* (for the division in sub-sectors, see the Appendix).

In the *WageIndicator* survey, questions about wages are asked in a similar way across countries. One should note that this information is derived from a volunteer survey, and is therefore not representative of the labour force at large in a country. In our first WISUTIL Newsletter, "Wages in utilities compared" (dated September 22, 2010), we compared for eight countries the wages in what we called the electricity and the gas / water / sewerage sub-sectors with the wages paid in the eight economies at large, in manufacturing and in the public sector (excluding utilities). We did so based on combined *WageIndicator* data for 2008-2009. We found that the electricity sub-sector in all eight countries had the highest median hourly wages,<sup>2</sup> and that wages in gas / water / sewerage were much lower: in six countries lower than in the economy at large and in manufacturing.

In the second WISUTIL Newsletter, "Wages in utilities over time" (dated January 13, 2011), we charted developments in median wages in utilities over the years 2007, 2008 and 2009, for six countries: Belgium, Finland, Hungary, the Netherlands, Spain and the United Kingdom. Again, all information was based on *WageIndicator* data. We concluded that except for Finland and to a lesser extent the Netherlands, median wages in utilities did not develop favourably in 2007-2009. Developments from the viewpoint of wage distribution were also disquieting. For the six countries at large, the two lowest-paid occupational groups (service and sales workers, and elementary occupations) showed a considerable absolute fall in wages during this period. We noted that further research in the WISUTIL project aims to reveal the main causes of these wage developments. In particular we will try to find out whether privatisation and subcontracting have played a role.

In this WISUTIL Newsletter we undertake a first analysis of the most recent wage information obtained through the *WageIndicator* survey, namely that collected for 2010. In Table 1 (page 3) we present gross hourly wages in utilities for 12 countries, totaling 1,368 respondents: Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, the Netherlands, Spain, Sweden, and the United Kingdom. Though this means a doubling of the number of countries analysed, the reader should note that the number of respondents (the 'N' in the most right-hand column) in six countries in 2010 was, at less than 50, quite small. This was the case for the Czech Republic, Denmark, Finland, France, Hungary, and Italy. For these six countries, the outcomes need to be treated with great caution.

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<sup>2</sup> The median value separates the higher half of a sample from the lower half. Thus, if there are nine different values ranking from high to low, the fifth is the median.

**Table 1**      **Gross hourly wages in 12 countries in utilities, median and mean values and standard deviations in national currency and in standard USD controlled for PPP, and number of respondents (N), 2010**

	Wages in national currency			Wages in PPP			N
Country	Median	Mean	Std. Dev.	Median	Mean	Std. Dev.	
Belgium	16.21	21.08	21.01	18.05	23.48	23.39	151
Czech Republic	121.95	156.74	103.62	8.42	10.82	7.15	39
Denmark	155.07	167.68	37.52	18.12	19.60	4.39	12
Finland	14.44	16.67	13.17	15.05	17.39	13.73	30
France	11.82	14.38	6.58	12.98	15.78	7.23	26
Germany	20.15	23.24	19.63	23.38	26.96	22.78	408
Hungary	1466.85	2232.57	2764.53	10.26	15.62	19.34	16
Italy	14.20	27.00	50.27	16.15	30.71	57.18	17
Netherlands	16.17	20.65	19.04	18.56	23.71	21.86	344
Spain	11.48	18.17	23.35	14.89	23.57	30.29	144
Sweden	176.15	207.74	134.18	18.97	22.38	14.45	121
United Kingdom	17.26	36.40	45.67	24.27	38.55	41.83	60
TOTAL							1368

The presentation of the figures needs some more explanation. In the first three columns at the left we have included the hourly wages in the respective national currencies; this means Euros for Belgium, Finland, France, Germany, Italy, the Netherlands, and Spain. For these seven countries the wages presented are mutually comparable, though due to differing national consumer price levels this is not so for the purchasing power derived from these sums in the respective countries. Nor is such a direct comparison possible with the five non-Euro countries. Therefore, in the three columns at the right we show the wages corrected for differences in purchasing power across countries, through calculating wages using so-called PPPs (Purchasing Power Parities) expressed in standard US dollars (USD).

The reader may also note that we use two yardsticks: median and mean (average) wages. In all countries the mean wages are higher than the median wage. This implies that there is a relatively large group at the bottom of the wage distribution, and above the median an ever smaller number of respondents earning high(er) wages; the latter lifts the mean in most countries to some 20 to 40% above the median. This difference is much larger in three countries: the mean is nearly double the median in Italy, and about 1.5 times the median in Spain and the UK. These large differences point to a great spread in the range of the wages of the respondents from these countries, with relatively many in the higher end of the wage distribution.<sup>3</sup> We indicate the spread of wages by the statistical measure most used for this purpose, the standard deviation (Std. Dev. in the table). Indeed, the standard deviations are largest for Italy, Spain and the UK. For Spain, with a substantial number of respondents, this outcome may suggest a relatively large share of respondents with higher wages. To a somewhat lesser extent, this is also the case in Belgium, Germany and the Netherlands.

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<sup>3</sup> Taking into account that we already have excluded those with hourly wages over USD 250 and those with hourly wages lower than USD 4 from our calculations.

If we concentrate on the median wages measured in PPP, Table 1 allows us to distinguish four groups of countries: (a) in the USD 23-24 range: Germany and the United Kingdom; (b) in the USD 16-19 range: Belgium; Denmark; Italy; the Netherlands, and Sweden; (c) in the USD 12-15 range: Finland, France, and Spain; (d) in the USD 8-11 range: the Czech Republic and Hungary. For most countries this grouping reflects rather well their ranking in the general ranking of purchasing power levels across countries, as published by Eurostat. Finland and France show up as the main exceptions, with quite low medians in the utilities sector compared to that ranking. Obviously for Finland and France a considerable number of low-paid respondents (compared with the overall wage level in these two countries) filled out the *WageIndicator* survey, which does suggest comparatively low wages in utilities.<sup>4</sup>

As with WISUTIL Newsletter No. 2, it may again be interesting to look at the development of median wages per occupational group working in the utilities sector. Contrary to our presentation in the previous Newsletter, this time we present the outcomes for 2010 by country. We have re-grouped the eight occupational groups that we distinguished in Newsletter No. 2 into three groups, as eight groups would have left us with quite a number of cells with very few or zero respondents (cell = combination of country and occupational group). As we will see, this will still happen, albeit on a limited scale. The three groups are: (1) managers, professionals and technicians; (2) clerical staff and sales persons; (3) craft workers, operators and unskilled workers. Overall, in 2010 group (1) covered 53% of all respondents, group (2) 19% and group (3) 28% - about the same division as in 2007-2009.

Table 2 (page 5) shows the wages per occupational group, presented in the same way as Table 1. We have excluded the cells with five or less respondents. This means that we had to leave out Denmark from group (1); Denmark, Italy and the UK from group (2), and Denmark, Hungary and Italy from group (3), and that eight countries remain for which we are able to compare the wage levels of the three groups. Again, we focus on the median wages measured in PPP. As was to be expected, in all eight countries these medians were highest for group (1), the managers, professionals and technicians. Their wage levels were 20-60% above those of the two other groups, with the highest differences for Finland and Germany and the smallest for Sweden. In four countries the wage levels of group (2), the clerical staff and sales persons, ranked second; this was the case in the Czech Republic, Finland, Germany, and Spain. In the other four countries (Belgium, France, the Netherlands and Sweden) the median wages for group (3), the craft workers, operators and unskilled workers, were higher than those of group (2) and consequently ranked second. In five of the eight countries the mutual differences between groups (2) and (3) were rather small. Notable are the relatively low wages of the French respondents from group (2) (though the wage level of their compatriots from group (3)

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<sup>4</sup> Earlier research based on 2005 *WageIndicator* data gave indications of this trend for Finland: here, the utilities sector had the highest share of low-paid out of 13 industries; nowhere in the other eight countries researched was utilities in the lower half of the industry ranking concerning low pay (France was not included) (Maarten van Klaveren and Kea Tijdens (eds) (2008) *Bargaining issues in Europe: comparing countries and industries*. Brussels: ETUI-REHS / UvA-AIAS / *WageIndicator*, pp. 82-83).

is also low) and the Finnish respondents from group (3) – going some way towards explaining the exceptional position of both countries noted earlier.

**Table 2** Gross hourly wages in 12 countries per occupational group in utilities, median and mean values and standard deviations in national currency and in standard USD controlled for PPP, and number of respondents (N), 2010

		Wages in national currency			Wages in PPP			N
		Median	Mean	Std. Dev.	Median	Mean	Std. Dev.	
Managers, professionals, technicians	Belgium	17.42	22.07	20.50	19.40	24.57	22.83	75
	Czech Republic	166.05	193.90	129.70	11.46	13.38	8.95	18
	Finland	18.56	19.18	3.91	19.36	20.00	4.08	9
	France	19.00	19.14	8.30	20.85	21.02	9.11	9
	Germany	23.88	28.07	20.60	27.71	32.57	23.90	197
	Hungary	1728.90	2168.46	964.95	12.10	15.17	6.75	8
	Italy	15.97	33.88	59.10	18.16	38.54	67.24	12
	Netherlands	18.33	23.49	19.97	21.05	26.96	22.93	132
	Spain	12.05	17.75	20.27	15.62	23.02	26.29	91
	Sweden	176.94	205.74	116.23	19.06	22.16	12.52	77
	UK	18.50	26.03	25.65	27.53	38.74	38.16	41
Clerical staff, sales persons	Belgium	12.66	15.36	10.56	14.10	17.11	11.76	39
	Czech Republic	137.47	144.14	72.22	9.49	9.95	4.99	9
	Finland	14.22	22.10	24.31	14.83	23.04	25.35	8
	France	9.50	10.68	2.62	10.42	11.72	2.88	6
	Germany	15.01	18.54	18.37	17.41	21.51	21.32	73
	Hungary	781.12	843.17	252.61	5.47	5.90	1.77	6
	Netherlands	13.83	19.34	24.47	15.87	22.21	28.10	53
	Spain	10.15	16.40	16.94	13.17	21.28	21.97	28
	Sweden	151.42	232.26	206.55	16.31	25.02	22.25	26
Craft workers, operators, unskilled workers	Belgium	14.43	21.07	19.55	16.07	23.46	21.77	31
	Czech Republic	102.83	110.44	50.73	7.10	7.62	3.50	12
	Finland	10.39	11.60	3.46	10.84	12.10	3.61	13
	France	11.14	12.59	4.44	12.23	13.82	4.87	9
	Germany	14.43	18.07	18.26	16.74	20.97	21.18	115
	Netherlands	14.06	15.37	10.83	16.15	17.64	12.43	116
	Spain	9.90	21.76	38.63	12.84	28.23	50.11	23
	Sweden	173.26	177.69	49.63	18.66	19.14	5.35	15
	UK	16.31	30.95	37.96	24.27	46.05	56.48	14

In Table 3 (page 6), we present the gross hourly wages over 2010 for the three sub-sectors of utilities, for all 12 countries. Again, we have excluded the cells with five or less respondents, which means leaving out the data for Denmark from the electricity and water sub-sectors and for Hungary and Italy from ‘water’. The table shows that in six of the remaining nine countries (Belgium, Czech Republic, France, Germany, the Netherlands and the UK), the median wage levels were highest in the electricity sub-sector; in the other three countries (Finland, Spain and Sweden) the wages in the water sub-sector were highest. If ‘water’ was not first, it was in second position – except for the Czech Republic, where it ranked third. Spain showed the most deviant ranking, with ‘water’ first, ‘waste’ second and ‘electricity’ ranking third. Except for the Czech Republic and Spain, the median wage level was lowest in the water sub-sector.

The mutual differences between the median wage levels show quite different patterns per country. The levels of all three sub-sectors were close in Spain and Sweden. In Belgium and the Netherlands, the levels of 'electricity' and 'water' were rather close, with 'waste' some 25-40% lower. In Germany, the median wage in 'electricity' was some 15% above that in 'water' but nearly 50% higher than that in 'waste'. In the Czech Republic and in the UK, the level of 'electricity' was 40% or more higher than the levels of the two other sub-sectors. Finland and France again showed a similar pattern, with medians far lower in 'waste' than in the other two sub-sectors.

**Table 3 Gross hourly wages in 12 countries per subsector in utilities, median and mean values and standard deviations in national currency and in standard USD controlled for PPP, and number of respondents (N), 2010**

		Wages in national currency			Wages in PPP			N
		Median	Mean	Std. Dev.	Median	Mean	Std. Dev.	
Electricity	Belgium	16.90	20.80	18.48	18.82	23.16	20.58	77
	Czech Republic	176.15	193.64	120.12	12.16	13.37	8.29	17
	Finland	14.56	14.27	4.08	15.18	14.88	4.25	9
	France	15.11	16.26	7.37	16.59	17.85	8.09	16
	Germany	21.27	23.96	16.74	24.68	27.79	19.42	258
	Hungary	1616.63	2890.28	3580.54	11.31	20.22	25.05	9
	Italy	12.87	42.46	72.33	14.64	48.31	82.28	8
	Netherlands	17.32	22.20	17.14	19.89	25.49	19.67	167
	Spain	11.00	14.53	15.06	14.26	18.85	19.53	85
	Sweden	174.10	208.86	140.01	18.75	22.50	15.08	55
	United Kingdom	19.53	27.87	27.64	29.07	41.48	41.12	34
Water	Belgium	16.44	22.43	16.85	18.31	24.98	18.77	31
	Czech Republic	94.17	141.64	112.48	6.50	9.78	7.76	8
	Finland	16.12	23.74	21.12	16.81	24.76	22.03	10
	France	14.32	14.32	6.62	15.72	15.72	7.26	2
	Germany	18.29	24.69	27.45	21.22	28.64	31.85	76
	Hungary	1317.08	1386.94	727.85	9.22	9.70	5.09	7
	Netherlands	16.17	23.43	29.61	18.56	26.90	34.00	67
	Spain	11.87	26.12	37.77	15.39	33.88	48.99	22
	Sweden	176.94	213.69	138.92	19.06	23.02	14.96	47
	United Kingdom	15.16	15.30	5.03	22.56	22.76	7.48	14
Waste	Belgium	14.62	20.62	27.44	16.28	22.96	30.56	43
	Czech Republic	113.44	120.55	59.03	7.83	8.32	4.07	14
	Denmark	150.47	150.78	25.58	17.59	17.62	2.99	6
	Finland	10.54	12.21	3.33	10.99	12.74	3.48	11
	France	10.45	10.62	2.82	11.47	11.66	3.10	8
	Germany	14.19	19.28	19.21	16.47	22.37	22.29	74
	Italy	12.99	12.62	4.86	14.78	14.36	5.53	8
	Netherlands	13.56	16.59	11.71	15.56	19.05	13.44	110
	Spain	11.55	21.81	26.86	14.98	28.28	34.84	37
	Sweden	167.44	189.81	107.10	18.03	20.45	11.54	19
	United Kingdom	12.83	32.70	41.37	19.09	48.66	61.56	12

Finally, we update the table covering gross hourly wages for 2007-2009 that we presented earlier in WISUTIL Newsletter No. 2 to include outcomes for 2010: see Table 4. Once again, one needs to be careful in interpreting the results against the backdrop of small and varying numbers of respondents. The results for the three countries with a substantial number of respondents, Belgium, the Netherlands and Spain, suggest that the decrease in median wages that occurred in 2009 was fully (Belgium) or only partly (the Netherlands, Spain) undone in 2010. The outcomes for the other three countries should be taken at face value; only a few respondents with, for instance, above-average wages may have changed the picture thoroughly compared to earlier years.

**Table 4**      **Gross hourly wages in six countries, utilities, in national currency, median values and respondents (N), 2007-2010**

	2007		2008		2009		2010	
	Median	N	Median	N	Median	N	Median	N
Belgium	14.04	189	15.92	137	14.56	59	16.21	151
Finland	11.96	53	11.66	194	14.92	79	14.44	30
Hungary	1,385.68	53	1,059.76	14	981.52	13	1,466.85	16
Netherlands	14.54	167	16.71	229	14.20	140	16.17	344
Spain	10.51	175	12.07	108	10.97	43	11.48	144
United Kingdom	13.50	108	13.04	159	11.93	38	16.31	60
N		745		941		372		748

## Appendix

**Table 5      Division of the utilities sector in sub-sectors, using the NACE 2.0 industry coding**

NACE 2.0	sub-sector
3511 Production of electricity	Energy
3512 Transmission of electricity	Energy
3513 Distribution and trade of electricity	Energy
3521 Manufacture of gas	Energy
3522 Distribution and trade of gaseous fuels through mains	Energy
3530 Steam and air conditioning supply	Water
3600 Water collection, treatment and supply	Water
3700 Sewerage	Water
3811 Collection of non-hazardous waste	Waste
3812 Collection of hazardous waste	Waste
3821 Treatment and disposal of non-hazardous waste	Waste
3822 Treatment and disposal of hazardous waste	Waste
3832 Recovery of sorted materials	Waste
3900 Remediation activities and other waste management services	Waste

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